

Interested Party Testimony Before Columbus City Council Regarding Ticket Tax Ordinance File No. 3378-2018

Thank you for allowing me to testify this evening regarding the proposed ticket tax. My name is **Leslie Broecker** and I am the Midwest President of Broadway Across America. Broadway has very serious concerns with the current proposed ordinance.

- We oppose the rate of 5%;
- We oppose the double taxation on Broadway; and,
- We are surprised about the GCAC carve out.

I. Peer Cities

A 5% ticket tax is a much higher rate than our peer cities charge (contrary to what is being said). Columbus has been compared to neighboring cities with regard to both its public support for the arts and the fact that peer cities already have similar ticket taxes. However, this is not accurate.

In Cleveland, like most cities, Broadway plays are exempt from their 8% ticket tax. In Cincinnati the ticket tax is 3%.

Cleveland is generally a three-week venue for Broadway plays and musicals, Cincinnati is a two-week venue and the city of Columbus is a one week venue. The length of the venue run is predicated upon ticket sales history in each city. The longer the run, the more desirable the location is for Broadway shows to choose a city. Columbus is already the least desirable venue of the three Ohio big cities because the popularity of Broadway shows is lower. However, the return on a promoter's investment in a given show is offset by the fact that there is no tax. By adding a 5% tax, it will not only solidify Columbus as the least desirable city in Ohio, it will honestly be difficult for Columbus to compete with any other city in the Midwest for first run Broadway shows.

Over the past 30 years, I have watched Columbus climb the competition ladder – a 5% tax will set Columbus back to the status it had in the 1980's. The goal of the ticket tax is to bolster the arts in Columbus. With a more reasonable tax in the neighborhood of 2-3%, Columbus could continue to compete as a desirable venue.

II. Economic Impact

Broadway has already had a \$55 million economic impact on the city of Columbus in 2018 (per the 2018 Broadway League's annual statistical impact study). Moreover, Broadway specifically supports the city with the following payments to people living in the city of Columbus:

- a. Broadway pays approximately \$1 million in local labor wages per year (local musicians, stage hands, hair and makeup artists, local seamstresses, lighting, sound technicians, carpenters, and other stage crew members);
- b. Broadway pays approximately \$600,000 for rent to use Ohio's historical theaters (The Palace and Ohio Theatre);
- c. Broadway already pays \$3.50 on every ticket which is roughly \$500,000 in a special facility fee to CAPA. Paying an additional 5% tax to benefit the arts is double taxation; and,
- d. Broadway spends roughly \$800,000 on local advertising expenses.

A 5% ticket tax is a substantial additional production cost.

III. GCAC Carve Out

The proponents of the tax, the GCAC members, arguably are exempt under proposed section 375.10. So either there is a drafting error or the entire premise that GCAC was going to tax itself is a complete farse. As drafted, it looks like the tax is only mandated upon by the following four groups:

- a. Pro-sports (Columbus Blue Jackets, Columbus Crew, and Columbus Clippers);
- b. Events such as The Arnold and Quarter Horse Congress;
- c. Concerts; and,
- d. Broadway plays and musicals.

All of the standard not-for-profit charitable organizations located in Columbus appear to have a carve-out under the above-cited exemption.

It will be very difficult for me to convince our Producers and Shows that Columbus should remain a priority city with the implementation of the excessive tax. Especially since it will be one of the few venues that are not exempt from a ticket tax, and one of the highest rates for Broadway Across America throughout the entire US.